MOTION FILED
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No. 98-1942

IN THE SUPREME COURT OF THE UNITED STATES

NIKE, INC.,

Petitioner,

v.

WAL-MART STORES, INC. and
HAWE YUE, INC.,

Respondents.

On Petition for Writ of Certiorari To the United States Court of Appeals for the Federal Circuit

Amici Curiae Brief Supporting Petitioner and Motion for Leave to File *Amici Curiae* Brief

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AMICI CURIAE REEBOK INTERNATIONAL LTD. AND THE ROCKPORT COMPANY, INC.'S MOTION FOR LEAVE TO FILE A BRIEF *AMICI CURIAE*

Pursuant to Rule 37.2 of the Rules of this Court, *amici*, Reebok International Ltd. and The Rockport Company, Inc., respectfully move for leave to file the attached Brief of *Amici Curiae* in Support of the Petition for Writ of Certiorari. Petitioner Nike, Inc. has consented to the filing of the brief. This motion is necessary because Respondents have denied consent. The *amici* share a common concern regarding the interpretation of "damages" in 35 U.S.C. § 287.

Reebok International Ltd. ("Reebok") is a manufacturer of footwear, apparel and equipment in the United States. Among its products, Reebok markets REEBOK shoes throughout the United States. The Rockport Company, Inc. ("Rockport") is a wholly-owned subsidiary of Reebok. Rockport is also a manufacturer of footwear and apparel in the United States. Among its products, Rockport markets ROCKPORT shoes throughout the United States.

Reebok and Rockport, like petitioner Nike, Inc. ("Nike"), have expended substantial sums in designing shoes and in promoting and protecting these designs. Reebok and Rockport consider these designs to be among their most valuable assets and are committed to protecting their rights in the designs of REEBOK and ROCKPORT shoes through the United States (utility and design) patent laws.

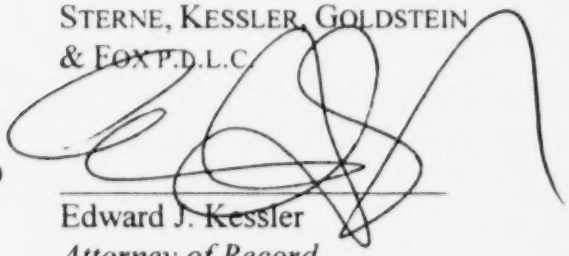
Neither Reebok nor Rockport have a stake in any of the parties to this litigation or the result of this case. They are, however, deeply concerned about the possibility that the Federal Circuit's decision in this case, reversing the district court's opinion with respect to the interpretation of "damages" in 35

U.S.C. § 287, will be allowed to stand. Such a decision, left intact, would cause serious harm to design patent holders.

Reebok and Rockport's interests would be directly and adversely affected if the Federal Circuit's decision is not reversed. *Amici* therefore respectfully seek leave of this Court to file the attached brief in support of the Petition for Writ of Certiorari.

Respectfully submitted,

STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.



Date: July 6, 1999

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I. STATEMENT OF INTEREST

The parties represented in this *amici curiae* brief are Reebok International Ltd. ("Reebok") and The Rockport Company, Inc. ("Rockport). Reebok is a manufacturer of footwear, apparel and equipment in the United States. Among its products, Reebok markets REEBOK shoes throughout the United States. Rockport is a wholly-owned subsidiary of Reebok. Rockport is also a manufacturer of footwear and apparel in the United States. Among its products, Rockport markets ROCKPORT shoes throughout the United States.

Reebok and Rockport have expended substantial sums in designing shoes and in promoting and protecting these designs. Reebok and Rockport consider these designs to be among their most valuable assets and are committed to protecting their rights in the designs of REEBOK and ROCKPORT shoes through the United States (utility and design) patent laws.

Neither Reebok nor Rockport have a stake in any of the parties to this litigation or the result of this case. They are, however, deeply concerned about the possibility that the Federal Circuit's decision in this case, reversing the district court's opinion with respect to the interpretation of "damages" in 35 U.S.C. § 287, will be allowed to stand. Such a decision, left intact, would cause serious harm to design patent holders.[1]

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[1] Pursuant to Rule 37.6, none of the parties or their counsel has contributed either substantively or monetarily to the preparation of this brief. Specifically, only Reebok International Ltd. and The Rockport Company, Inc. have made a monetary contribution to the preparation and submission of this brief.

II. SUMMARY OF ARGUMENT

The nature of the footwear industry and the industry's use of design patents to prevent infringers from making a considerable profit "knocking off" protected designs warrant the grant of a writ of certiorari. Limiting a design patent holder to recovery of an infringer's profit only after the point when marking or actual notice is initiated will seriously limit the value of a design patent, and reverse the trend of cases like *Avia Group Int'l, v. L.A. Gear California*, 853 F.2d 1557, 7 U.S.P.Q.2d (BNA) 1548 (Fed. Cir. 1988) that have breathed new life into the design patent.

The Federal Circuit's statutory construction of 35 U.S.C. § 287, in light of 35 U.S.C. §§ 284 and 289, and use of legislative history was incorrect. Accepting, *arguendo*, the Federal Circuit's use of legislative history was correct, their analysis was flawed in several respects. The Federal Circuit's decision misread the legislative history of 35 U.S.C. § 287, and ignored this Court's precedent in *Aro Mfg. Co. v. Convertible Top Co.*, 377 U.S. 476 (1964). The Federal Circuit also overlooked the purpose and effect of the Patent Act of 1952.

Furthermore, the Federal Circuit's decision did not accord proper weight to this Court's decision in *Aro Mfg.* The Federal Circuit's decision conveniently dismisses some legislative history of the patent laws while considering others. The Federal Circuit did not observe an "anomaly" in Title 35 but in essence created one. Accordingly, this Court should grant a writ of certiorari.

III. ARGUMENT

A. DESIGN PATENTS ARE PARTICULARLY VALUABLE TO THE FOOTWEAR INDUSTRY

Design patents are now more valuable then ever, in part due to the Federal Circuit's line of cases beginning with *Avia Group Int'l, v. L.A. Gear California*, 853 F.2d 1557, 7 U.S.P.Q.2d (BNA) 1548 (Fed. Cir. 1988). In the footwear field especially, the protection provided by a design patent is extremely valuable in fighting "knock off" products. The problem of "knock off" products is not new. In 1987-1988, Avia, a former subsidiary of Reebok, was involved in a design patent litigation against L.A. Gear, in which L.A. Gear was found to have infringed two Avia design patents. *See id.* In this landmark case, the Federal Circuit affirmed a grant of summary judgment of infringement in favor of Avia. At the time, the culture in the footwear industry was that competing companies felt free to copy the popular styles of its competitors. The *Avia* case sent a message to would be infringers that it would be very expensive for them to "knock off" footwear designs in the future. No longer could they get a "free ride" on other companies' research and development efforts.

Since the *Avia* decision, design patent applications and enforcement actions have increased not only within the footwear industry, but have spread to other industries as well. One commentator has observed that "today's shoemakers are protecting the integrity of their emblems and designs at all costs, taking their competitors to court when they believe they are being unlawfully ripped off." Greg Melville, *Big Shoe Firms Turn Up Heat In Brand Wars: Companies Pursue Legal Action to Protect Trademarked Logos, Designs*, Footwear News, March 17, 1997, at 1. This trend is further evidenced by the rise of issued design patents from approximately 4000 per year

in the early 1980's, to over 11,000 per year since 1994. *See Design Patents January 1977 - December 1996: A Technology Assessment and Forecast Report*, U.S. Patent and Trademark Office, Office of Electronic Information Products/TAF Program, April 1997.

The district court awarded $6 million to Nike. *See Nike, Inc. v. Walmart Stores, Inc.*, 41 U.S.P.Q.2d (BNA) 1146 (E.D. Va. 1996). This award represents the largest design patent award to date and is the high point of this trend of increased protection and value offered by the design patent. However, most design patent infringement cases never make it to trial. As the infringing products are often times identical copies of the patented design, infringement is not usually contested by the accused party. All that remains to be determined is the amount of damages owed to the patent holder. In making this determination, it has been the practice to account for infringer's profits both before and after marking or actual notice, in light of the Federal Circuit's decision in *Braun Inc. v. Dynamics Corp. of America*, 975 F.2d 815, 824 (Fed. Cir. 1992) (holding that because "total damages" and "profits" have different meanings, total profits are not subject to enhancement under 35 U.S.C. § 284). The Federal Circuit's recent panel decision in the *Nike* case goes against this commonly held and long standing interpretation of patent damages, as set out by the Federal Circuit's own precedents.

As stated above, few design patent cases make it to trial and even fewer make it to the appellate level. In fact, since its birth in 1982, the Federal Circuit has only had the opportunity to consider a handful of design patent cases. The success of the design patent cannot be measured by the number of reported cases. The enormous value of the design patent is found in the silent enforcement actions which are undertaken daily by design patent holders. Due to the scarcity of appealed design patent

cases, however, the important issue of interpreting the meaning of the word "damages" as used in 35 U.S.C. § 287(a) may not come before this Court again for some time. It would be disastrous for many design patent holders and entire industries if an erroneous panel decision were allowed to stand and be afforded precedential weight. This Court has before it now the opportunity to reinforce the proper interpretation of the remedies available under design patent law, and clarify an important aspect of design patent law.

Most disturbing is the fact that the Federal Circuit's decision ignores not only this Court's precedent and its own prior rulings, but also the reasoning of the most recent district court design patent cases to rule on the issue. The lower court *Nike* decision properly held that the marking provisions do not limit recovery of infringer's profits, given the "'longstanding' and 'important' distinction in patent law between damages and profit." *Nike*, 41 U.S.P.Q.2d (BNA) at 1149 (quoting *Braun*, 975 F.2d at 824). At least one other district court has similarly held that "the marking statute does not preclude an award of the infringer's profits prior to the patentee marking the product or giving notice to the infringer." *Aerogroup Int'l, Inc. v. Marlboro Footworks, Ltd.*, 1997 WL 83395, *6 (S.D.N.Y. May 7, 1997) (also citing *Braun*, 975 F.2d at 824).

Both district court opinions relied on the only precedent afforded them by the Federal Circuit (*i.e.*, *Braun*). The *Nike* panel, however, quickly distinguished the Federal Circuit's prior decision in *Braun*, despite recognizing that its decision in light of the controlling precedent is "anomalous." *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1445 (Fed. Cir. 1998). As the Federal Circuit's decision will have the effect of overruling these recent district court decisions, developed in light of the Federal Circuit's earlier holding in *Braun*, it is important that this Court have an opportunity to consider the issue.

Furthermore, it is important to realize that the nature of the design field and how complying with the marking provisions is often impractical. The following 1987 observation by Michael W. Blommer, then Executive Director of the American Intellectual Property Law Association, remains true today:

> In footwear and fashion, items go out of style faster than patents get granted. . . . In the area of designs, sometimes the market's passed you by the time the patent issues. Manufacturers like Reebok [and Nike], they're constantly changing the style of their shoes. They're going to start selling their shoes while the patent is pending. The knock-off artists are in and out of the market in a year or two.

Todd J. Gillman, *Attorney Puts Foot Down About Sneaker Patents; Avia Takes Shoe Pirates to Court to Protect Design*, Washington Post, July 20, 1987, at F3. Retooling to mark products after a patent issues takes time and is expensive. By the time the design patent is granted and the shoe is marked, desire for the original design may be waning due to the presence of "knock-offs." Further, in the time it takes to mark the product with the patent number, the infringer continues to make a considerable profit "knocking off" the protected (and apparently quite popular) design at the expense of companies who perform research and development to create the popular styles.

Limiting a design patent holder to recovery of an infringer's profits only after the point when marking is initiated will seriously limit the value of a design patent and reverse the trend that has to this point allowed design patents to flourish. Such a holding is not required by a plain reading of the statute and is in conflict with recent district court and Federal Circuit decisions that have helped strengthen the design patent right.

B. THE FEDERAL CIRCUIT'S STATUTORY CONSTRUCTION AND USE OF LEGISLATIVE HISTORY WAS INCORRECT

Reebok and Rockport generally agree with Nike's position set forth in their Petition for a Writ of Certiorari as to the Federal Circuit's erroneous method of statutory construction. Thus, those arguments concerning the Federal Circuit's departure from such precedents as *Mansell v. Mansell*, 490 U.S. 581 (1989) and *Trans Alaska Pipeline Rate Cases*, 436 U.S. 631 (1978), are not repeated herein. The Federal Circuit's decision, if left intact, would set design patent law on a perilous path. Thus, this brief further sets out more clearly those areas in which Reebok and Rockport believe the Federal Circuit's analysis was flawed.

Any analysis of the use of legislative history must first begin with the plain meaning rule. The rule, originating from Sir William Blackstone's *Commentaries*, states, "Where the language is plain and admits of no more than one meaning the duty of interpretation does not arise and the rules which are to aid doubtful meanings need no discussion." *Caminetti v. United States*, 242 U.S. 470, 485 (1916). Under the rule, if the words of a statute are clear and construction of them will not lead to an absurd result, the words are assumed to be the "final expression of the meaning intended." *United States v. Missouri Pac. R.R.*, 278 U.S. 269, 277-78 (1929). It is only when a

statute is ambiguous that courts should refer to legislative history. Norman J. Singer, *Sutherland Statutes and Statutory Construction* § 45.02 (5th ed. 1992). In short, statutes must not be made a plaything for lawyers to manipulate and transmogrify to suit the purpose of their clients. A statute is considered ambiguous when it is capable of being understood by reasonably well-informed persons in either of two or more senses; or some of the words used may refer to several objects and the manner of their use does not disclose the particular objects to which words refer. *Id.* Therefore, the Federal Circuit's resort to legislative history after admitting, as the district court found, that 35 U.S.C. § 287(a) is clear on its face is very troubling.

Many esteemed judges have commented on the problematic aspects of using legislative history (especially in light of unambiguous statutes). Judge Wald of the D.C. Circuit has observed that the use of legislative history has become so prevalent that, "no occasion for statutory construction now exist when the Court will not look at legislative history." Patricia M. Wald, *Some Observations on the Use of Legislative History in the 1981 Supreme Court Term*, 68 Iowa L. Rev. 195 (1983). Justice Holmes wrote, "we do not inquire what the legislature meant; we ask only what the statute means." Oliver Wendell Holmes, *Collected Legal Papers* 207 (1920). Justice Jackson concurred in this position, stating his preference for making decisions "by analysis of the statute instead of by psychoanalysis of Congress." *United States v. Public Util. Comm'n of Cal.*, 345 U.S. 295, 318 (1953).

The concerns about the use of legislative history can be placed into two broad categories: separation of powers and practical. Kenneth W. Starr, *The Role of Legislative History in Judicial Interpretation: A Discussion Between Judge Starr and Judge Mikva*, 1987 Duke L.J. 371, 375. First, separation of powers concerns arise when courts consult legislative material, thus creating winners and losers as they "elevate the views of some and denigrating or rejecting the views of others. The courts may be acting in an area that should be out of bounds to the unelected branch." *Id.* at 375. In accordance with this view was Justice Jackson, writing:

> "When we decide from legislative history . . . we must place ourselves in the place of the majority of Congress and act according to the impression we think this history should have made on them . . . . That process seems to me to be not the interpretation of a statute but creation of a statute."

Public Util. Comm'n, 345 U.S. at 318. Second, practical concerns arise because it is well known that "technocrats, lobbyists, and attorneys have created a virtual cottage industry in fashioning legislative history so that the Congress will appear to embrace their particular view in a given statute . . . . This history-making can work as an abuse of the legislative process." Starr, *supra* at 377. More recently, Justice Scalia, concurring in *Conroy v. Aniskoff*, 507 U.S. 511 (1993), criticized the majority for employing legislative history after declaring a statute to be "unambiguous" and "unequivocal." He wrote:

> That is not merely a waste of research time and ink; it is a false disruptive lesson in the law . . . . This undermines the clarity of law . . . We are governed by laws not by the intentions of

> legislatures. As the Court said in 1844: The law as it passed is the will of the majority of both houses, and the only mode which is spoken is in the act itself.

Id. at 519 (quoting *Aldridge v. Williams*, 3 U.S. (How.) 9, 24 (1844)). A 1989 report to the Attorney General is in accord with this view. It states:

> [A] basic principle is that legislative history that specifies how general statutory language is to be applied should not be considered binding on the interpreter.

Office of Legal Policy, U.S. Dep't of Justice, *Using and Misusing Legislative History: A Re-Evaluation of the Status of Legislative History in Statutory Interpretation*, Jan. 5, 1989, at 80. Thus, given the admittedly clear and unambiguous statue in question, the Federal Circuit's use of legislative history which results in something other than a plain meaning application, is inappropriate and not supported by precedent.

C. EVEN IF THE FEDERAL CIRCUIT'S USE OF LEGISLATIVE HISTORY WAS CORRECT, THEIR ANALYSIS WAS FLAWED IN AT LEAST FIVE RESPECTS.

1. THE FEDERAL CIRCUIT'S DECISION MISREADS THE LEGISLATIVE HISTORY OF 35 U.S.C. § 287 AND IGNORES PRECEDENT OF THIS COURT

The Federal Circuit's decision on the meaning of the word "damages" in 35 U.S.C. § 287(a) rests, in part, on the legislative history of the 1946 Patent Act. *Nike*, 138 F.3d at

1442. More specifically, the Federal Circuit points to a Committee on Patents Report, H.R. Rep. No. 1503, 79th Cong. 2d Sess., where Representative Pepper stated this bill "would not preclude recovery of profits as an element of general damages." The Federal Circuit then mis-characterizes Pepper's statement by stating that, "calling infringer's profits 'an element of general damages' was not unusual, for it reflected common usage." *Nike*, 138 F.3d at 1442. The text of H.R. 5311 (the bill that amended the predecessor of 35 U.S.C. § 287), however, changed the statute from:

> "for an infringement the complainant shall be entitled to recover *in addition to the profits to be accounted for by the defendant*, the damages the complainant has sustained thereby"

(emphasis added), to:

> "for an infringement the complainant shall be entitled to recover *general damages* which shall be due"

(emphasis added).

The report went on to state that "the object of the bill is to make the basis of recovery in patent-infringement suits *general damages*, that is any damages that the complainant can prove, not less than a reasonable royalty . . . *rather than profits and damages*" (emphasis added). In fact, this Court cited the same committee report to justify its holding that no recovery for infringer's profits may be obtained under Section 287. *Aro Mfg. Co. v. Convertible Top Co.*, 377 U.S. 476, 506 (1964).

Thus, the legislative history demonstrates that the term "general damages" in the amended bill meant damages at law--economic loss or just compensation to the complainant which can include the complainant's lost profits--and not "infringer's profits" which is why they are specially set out in 35 U.S.C. § 289.[2] If this argument seems to make the legislative history unclear, perhaps one should follow one commentator's sarcastic advice that "whenever the legislative history is ambiguous it is permissible to refer to the statute." Reed Dickerson, *The Interpretation of and Application of Statutes* 164 (1975).

In *Hirschey v. FERC*, 777 F.2d 1 (D.C. Cir. 1985), then Circuit Judge Scalia wrote in a concurring opinion:

> I frankly doubt that it is ever reasonable to assume that the details, as opposed to the broad outlines of purpose, set forth in a committee report come to the attention of, much less are approved by, the House which enacts the committee's bill.

In 1982, the following illuminating exchange occurred between members of the Senate, in the course of floor debate on a tax bill:

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[2] Should one accept the Federal Circuit's "common usage" argument to call infringer's profits part of general damages, it is worthwhile to consider 35 U.S.C. § 296 adopted in 1992: "*remedies* [against a state for patent infringement shall] *include damages*, interests, costs, and treble damages under section 284, attorneys fees under section 285, *and the additional remedy for infringement of design patents* [of the infringer's profit] *under section 289*" (emphasis added).

Mr. ARMSTRONG. ... My question, which may take [the chairman of the Committee on Finance] by surprise, is this: Is it the intention of the chairman that the Internal Revenue Service and the Tax Court and other courts take guidance as to the intention of Congress from the committee report which accompanies this bill?

Mr. DOLE. I would certainly hope so....

Mr. ARMSTRONG. Mr. President, will the Senator tell me whether or not he wrote the committee report?

Mr. DOLE. Did I write the committee report?

Mr. ARMSTRONG. Yes.

Mr. DOLE. No; the Senator from Kansas did not write the committee report.

Mr. ARMSTRONG. Did any Senator write the committee report?

Mr. DOLE. I have to check.

Mr. ARMSTRONG. Does the Senator know of any Senator who wrote the committee report?

Mr. DOLE. I might be able to identify one, but I would have to search. I was here all during the time it was written, I might say, and worked carefully with the staff as they worked....

Mr. ARMSTRONG. Mr. President, has the Senator from Kansas, the chairman of the Finance Committee, read the committee report in its entirety?

Mr. DOLE. I am working on it. It is not a bestseller, but I am working on it.

> Mr. ARMSTRONG. Mr. President, did members of the Finance Committee vote on the committee report?
> Mr. DOLE. No.
> Mr. ARMSTRONG. Mr. President, the reason I raise the issue is not perhaps apparent on the surface, and let me just state it: . . . . The report itself is not considered by the Committee on Finance. It was not subject to amendment by the Committee on Finance. It is not subject to amendment now by the Senate . . . . If there were matter within this report which was disagreed to by the Senator from Colorado or even by a majority of all Senators, there would be no way for us to change the report. I could not offer an amendment tonight to amend the committee report . . . [F]or any jurist, administrator, bureaucrat, tax practitioner, or others who might chance upon the written record of this proceeding, let me just make the point that this is not the law, it was not voted on, it is not subject to amendment, and we should discipline ourselves to the task of expressing congressional intent in the statute.

Hirschey, 777 F.2d at 7-8 n.1 (citing 128 Cong. Rec. S8659 (daily ed. July 19, 1982)). Therefore reliance on the committee report discussing Section 287 is tenuous at best.

2. THE FEDERAL CIRCUIT'S DECISION IGNORES THE PURPOSE AND EFFECT OF THE PATENT ACT OF 1952

The Federal Circuit correctly noted that with the 1952 codification of the patent law, "Section 284 as written did not state the 1946 Act's concept of recovering profits as an element of general damages, a purported ambiguity." *Nike*, 138 F.3d at 1442. The Federal Circuit, however, chose not to follow the logical result of its observation. The Patent Act of 1952, Pub. L. No. 82-593, 66 Stat. 792, did more than codify all of the Revised Statutes sections pertaining to patents. The Act's purpose was to "*revise* and codify the laws relating to patents." H.R. 7794, 66 Stat. 792. This bill was a result of:

> a preliminary draft [being] prepared and distributed widely during the year 1950. Since this draft was intended principally to elicit suggestions and criticisms from the patent bar and others interested in the subject it contained many proposed changes in substantive law which had been suggested during the past quarter century.
> * * *
> Finally in May of 1952 the [House Committee on the Judiciary] reported out a 'clean' bill.

Charles J. Zinn, *Commentary on New Title 35 U.S. Code "Patents"*, 1952 U.S.C.C.A.N. (66 Stat.) 2507. Therefore, assuming the legislative history of the 1946 Act, upon which the Federal Circuit relied, is clear, it must be viewed in light of the subsequent codification and interpretation of the 1952 Act.

3. THE FEDERAL CIRCUIT'S DECISION DOES NOT ACCORD PROPER WEIGHT TO THIS COURT'S DECISION IN *ARO MANUFACTURING*

The Federal Circuit states that while this Court, in *Aro Mfg.* "clarified the measure of recovery for infringement, it did not deal with the patent marking requirements." *Nike*, 138 F.3d at 1442. In *Aro Mfg.*, this Court held that "damages" as used in 35 U.S.C. § 284 meant that a patent infringement complainant can only recover their losses and not infringer's profits. *Aro Mfg.*, 377 U.S. at 507. Thus, the Federal Circuit's statement is baffling for at least two reasons. One, they accept the fact that "damages" in Section 284 does not include the equitable relief of infringer's profits, notwithstanding their earlier reliance on the 1946 Act's legislative history; and two, they presume this Court was not aware of Section 287's marking requirements when this Court decided a case under Sections 271 and 284 of the same title. This is simply too much to swallow. The Federal Circuit attempts to limit the holding of *Aro Mfg.* to utility patents by stating that while it "eliminated recovery for infringer's profits in utility patent infringement, this remedy for design patents was unaffected." *Nike*, 138 F.3d at 1443. However, this Court stated, generally, that "in patent nomenclature what the infringer makes is 'profits,' and what the owner of the patent loses by such infringement is 'damages.' *Aro Mfg.*, 377 U.S. at 505 (quoting *Duplate Corp. v. Triplex Safety Glass Co.*, 298 U.S. 448, 451 (1936)). Therefore, this Court drew a distinction between design and utility patents when they distinguished between "damages" and "infringer's profits."

4. THE FEDERAL CIRCUIT'S DECISION CONVENIENTLY DISMISSES SOME LEGISLATIVE HISTORY OF THE PATENT LAWS WHILE CONSIDERING OTHERS

The Federal Circuit mentions that in the 1952 Patent Act, the phrase "knowing that the same has been so applied" was removed from Section 289 which provides an additional remedy (*i.e.*, infringer's profits) to holders of design patents. *Nike*, 138 F.3d at 1442. The Federal Circuit admits that this phrase, which was in the original 1887 version of Section 289, is "relevant to the marking statute." *Id.* However, the Federal Circuit simply dismissed this fact rather than naturally concluding that the additional remedy afforded by Section 289 (*i.e.*, infringer's profits), at least after 1952, is irrespective of the marking provisions of Section 287.

5. THE FEDERAL CIRCUIT'S DECISION DID NOT OBSERVE AN "ANOMALY" IN TITLE 35, BUT INSTEAD CREATED ONE

The Federal Circuit goes on to suggest that the "marking statues underwent an independent evolution leading to the anomaly we today observe where the word 'damages' has different meanings in different provisions of Title 35." *Id.* at 1443. The supposed "anomaly," however, has not been residing in the patent statute, but rather was created by the Federal Circuit. This "independent evolution" analysis again ignores the purpose of the 1952 codification of the patent laws.[3]

The plain meaning of 35 U.S.C. § 287(a) does not lead to an absurd result when collectively considered with Sections

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[3] *See supra* note 1.

287, 284 and 289, and the prior case law. The only absurd result is the now internal judge-created inconsistency within the patent laws, which the Federal Circuit and its exclusive patent appellate jurisdiction was, in part, created to prevent. The consistency that was previously exhibited in *Aro Mfg.* (damages do not include infringer's profits) and *Braun* (no trebling of infringer's profits because they are not damages) has been destroyed by the Federal Circuit's decision. The word "profit" is used only once in Title 35 (*i.e.*, Section 289) whereas the word "damages" appears six times. The only reasonable conclusion is that the word "profit" was intentionally used in Section 289 and that the drafters of the Patent Act of 1952 were well aware that one does not include the other. The Federal Circuit's decision, if left intact will open the door for equally absurd arguments such as "offers to sell, or sells" as recited in 35 U.S.C. § 271 is not equivalent or means something different than "offering to sell, or selling" as recited in 35 U.S.C. § 287, and thus producing countless more "anomalies." This court should act to prevent such an unwarranted increase in statutory construction issues for lower courts and this Court to decide.

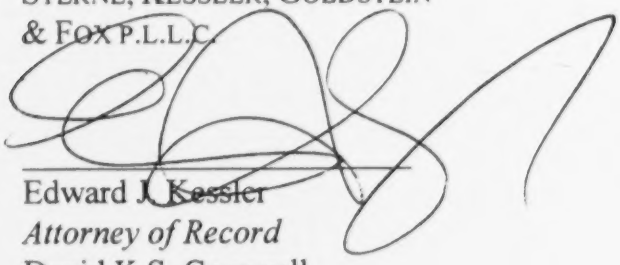
IV. CONCLUSION

For the foregoing reasons, Reebok and Rockport respectfully submit that the district court correctly found that Nike was entitled to the infringers' profits under 35 U.S.C. § 289 irrespective of the marking requirements of 35 U.S.C. § 287(a). Accordingly, this Court should grant a writ of certiorari.

Respectfully submitted,

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